



Economic Impact Analysis Virginia Department of Planning and Budget

8 VAC 20-680 – Regulations for the General Achievement Diploma Department of Education October 6, 2004

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

Pursuant to the 2003 General Assembly approved House Bill 1464 that amends sections §§22.1-253.13.4 and 22.1-254.2 of the Code of Virginia, the Board of Education (board) proposes to establish a General Achievement Diploma.

Estimated Economic Impact

In order to obtain a standard high school diploma students must obtain the credits detailed in Table 1. This information comes from 8 VAC 20-131, Regulations Establishing Standards for Accrediting Public Schools in Virginia.

Table 1: Credits Required for Standard Diploma

Discipline Area	Standard Units	Verified Units
English	4	2
Mathematics	3	1
Laboratory Science	3	1
History and Social Science	3	1
Health and Physical Education	2	Not applicable
Fine Arts or Practical Arts	1	Not applicable
Electives	6	Not applicable
Student Selected Test	Not applicable	1
<i>Total</i>	22	6

Standard units of credit are obtained by passing high school courses. Verified credits are obtained by passing Standards of Learning examinations (SOLs).

The Regulations Establishing Standards for Accrediting Public Schools in Virginia also describe the Modified Standard Diploma program. “The Modified Standard Diploma program is intended for certain students at the secondary level who have a disability and are unlikely to meet the credit requirements for a Standard Diploma. Eligibility and participation in the Modified Standard Diploma program shall be determined by the student's Individual Education Program (IEP) team and the student, where appropriate, at any point after the student's eighth grade year.” In order to obtain a modified standard high school diploma students must obtain the credits detailed in Table 2.

Table 2: Credits Required for Modified Standard Diploma

Discipline Area	Standard Units	Verified Units
English	4	Not applicable
Mathematics	3	Not applicable
Science	2	Not applicable
History and Social Science	2	Not applicable
Health and Physical Education	2	Not applicable
Fine Arts or Practical Arts	1	Not applicable
Electives	6	Not applicable
Student Selected Test	Not applicable	Not applicable
<i>Total</i>	<i>20</i>	<i>0</i>

Pursuant to the 2003 General Assembly approved House Bill 1464, the board proposes to establish a General Achievement Diploma (GAD). The board proposes that in order for an individual to obtain the GAD, she must achieve a passing score on the GED examination and obtain the credits detailed in Table 3.

Table 3: Credits Required for General Achievement Diploma

Discipline Area	Standard Units	Verified Units
English	4	Not applicable
Mathematics	3	Not applicable
Science	2	Not applicable
History and Social Science	2	Not applicable
Electives	9	Not applicable
<i>Total</i>	<i>20</i>	<i>0</i>

Comparing Table 3 and Table 2 indicates that the proposed required credits for the GAD are comparable with the required credits for a modified standard diploma. Neither diploma requires verified credits; both require four English credits, three math credits, two science credits, and two history and social science credits; and both require a total of twenty standard credits. The requirements only differ in that six elective credits plus two health and physical education and one fine arts or practical arts credit are required for the Modified Standard Diploma, while the board proposes that the GAD require nine elective credits.

According to the Department of Education (department), the GAD is not designed for students who have passed all their classes, but cannot obtain verified credit (pass the SOLs). Department staff believe that essentially anyone that can achieve a passing score on the GED examination can pass the SOLs and obtain the verified credit necessary for a standard diploma. According to the department, the GAD is designed for someone who dropped out some time ago and now wants to now get more than a diploma equivalent (the GED).

The introduction of the GAD will be beneficial for the public. Obtaining a GED can be worthwhile for high school dropouts, but the economic returns of possessing a GED are considerably below that of holding a high school diploma. In perhaps the best-known paper on the labor market benefits of the GED credential, Cameron and Heckman (1993) found that “GED recipients lie between dropouts and graduates in their economic standing but are much closer to dropouts.”¹ The GAD represents a greater accomplishment than the GED since it requires completing the standard credits necessary to obtain a diploma. If employers become aware of the GAD, they will know that possessors of the credential have made the extra effort necessary to complete those credits. Employers can use that information in trying to judge the work ethic of potential employees. Since the GAD is considered a high school diploma rather than an equivalent, it may also open opportunities where a high school diploma (but not a GED) is considered required. Obtaining the GAD could thus potentially permit holders of the credential to increase their earnings.

¹ Cameron, Stephen V, and James J. Heckman, “The Nonequivalence of High School Equivalents,” *Journal of Labor Economics*, 1993, 11(1): 1-47.

Businesses and Entities Affected

All 136 school divisions and local school boards, students, and employers are potentially affected by these proposed regulations.

Localities Particularly Affected

All localities are affected by these proposed regulations.

Projected Impact on Employment

The proposed regulations are unlikely to significantly affect total employment. A small number of individuals may obtain improved job prospects.

Effects on the Use and Value of Private Property

Some individuals will likely take additional high school level coursework in order to obtain the GAD.